

2005 ASSEMBLY BILL 167

1 **AN ACT** *to renumber* 66.0603 (3); *to renumber and amend* 66.0603 (1m) (b);
2 *to amend* 119.04 (1) and 120.11 (3); and *to create* 66.0603 (1m) (b) 3., 66.0603
3 (1m) (b) 4. and 66.0603 (3) (b) of the statutes; **relating to:** the investment by
4 school districts of funds held in trust to provide post-employment benefits.

Analysis by the Legislative Reference Bureau

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

5 **SECTION 1.** 66.0603 (1m) (b) of the statutes is renumbered 66.0603 (1m) (b) 1.
6 and amended to read:
7 66.0603 **(1m)** (b) 1. A town, city, or village may invest surplus funds in any
8 bonds or securities issued under the authority of the municipality, whether the bonds
9 or securities create a general municipality liability or a liability of the property
10 owners of the municipality for special improvements, and may sell or hypothecate

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1 the bonds or securities. Funds of an employer, as defined by s. 40.02 (28), in a
2 deferred compensation plan may also be invested and reinvested in the same manner
3 authorized for investments under s. 881.01.

4 2. Funds of any school district operating under ch. 119, held in trust for pension
5 plans intended to qualify under section 401 (a) of the Internal Revenue Code, other
6 than funds held in the public employee trust fund, may be invested and reinvested
7 in the same manner as is authorized for investments under s. 881.01.

8 **SECTION 2.** 66.0603 (1m) (b) 3. of the statutes is created to read:

9 66.0603 **(1m)** (b) 3. A school district may invest and reinvest funds that are held
10 in trust, other than funds held in the public employee trust fund, solely to provide
11 any of the following benefits, in the same manner as is authorized for investments
12 under s. 881.01:

13 a. Post–employment health care benefits provided either separately or through
14 a defined benefit pension plan.

15 b. Other post–employment benefits provided separately from a defined benefit
16 pension plan.

17 **SECTION 2m.** 66.0603 (1m) (b) 4. of the statutes is created to read:

18 66.0603 **(1m)** (b) 4. A school board may not discuss or vote on establishing a
19 trust fund to provide the benefits described in subd. 3. unless the notice of the school
20 board meeting at which the discussion or vote may occur includes the issue as a
21 separate agenda item.

22 **SECTION 3.** 66.0603 (3) of the statutes is renumbered 66.0603 (3) (a).

23 **SECTION 4.** 66.0603 (3) (b) of the statutes is created to read:

24 66.0603 **(3)** (b) In addition to the authority granted under sub. (2), a school
25 district may delegate the investment authority over the funds described under sub.

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(1m) (b) 3. to an investment manager who meets the requirements and qualifications specified in the trust's investment policy and who is registered as an investment adviser under 15 USC 80b-3.

SECTION 5. 119.04 (1) of the statutes is amended to read:

119.04 **(1)** Subchapters IV, V and VII of ch. 115, ch. 121 and ss. 66.0235 (3) (c), 66.0603 (1m) to (3), 115.01 (1) and (2), 115.28, 115.31, 115.33, 115.34, 115.343, 115.345, 115.361, 115.38 (2), 115.45, 118.001 to 118.04, 118.045, 118.06, 118.07, 118.10, 118.12, 118.125 to 118.14, 118.145 (4), 118.15, 118.153, 118.16, 118.162, 118.163, 118.164, 118.18, 118.19, 118.20, 118.24 (1), (2) (c) to (f), (6) and (8), 118.245, 118.255, 118.258, 118.291, 118.30 to 118.43, 118.51, 118.52, 118.55, 120.12 (5) and (15) to (26), 120.125, 120.13 (1), (2) (b) to (g), (3), (14), (17) to (19), (26), (34), (35) and (37), 120.14 and 120.25 are applicable to a 1st class city school district and board.

SECTION 6m. 120.11 (3) of the statutes is amended to read:

120.11 **(3)** Before the annual meeting, the school board shall meet to examine the accounts of the school district treasurer and to prepare a full, itemized written report which shall be presented and read at the annual meeting. The report shall state all receipts and expenditures of the school district since the last annual meeting, the current cash balance of the school district, the amount of the deficit and the bills payable of the school district, the amount necessary to be raised by taxation for the support of the schools of the school district for the ensuing year and the amount required to pay the interest and principal of any debt due during the ensuing year. The report also shall include the budget summary required under s. 65.90. If a school board has established a trust described in s. 66.0603 (1m) (b) 3., the report shall also state the amount in the trust, the investment return earned by the trust since the last annual meeting, the total of disbursements made from the trust since

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the last annual meeting, and the name of the investment manager if investment authority has been delegated under s. 66.0603 (3) (b). The school district clerk shall copy the report, with the action taken thereon, and all other proceedings of the annual meeting in full in the school district record book.

(END)